

SPESIA & TAYLOR

MEMO

To: The City of Crest Hill
From: Michael Stiff
Date: November 3, 2025
Re: Cannabis Retailers' Occupation Tax Ordinance

On September 15, the City Council approved Ordinance 2032 amending the City of Crest Hill's Code of Ordinances to include a Cannabis Retailers' Occupation Tax. Attached to this memorandum is Dan Ritter's September 8, 2025, Council Memo from the work session discussion on this topic. As Dan's memo states, the Ordinance needed to be received by the Department of Revenue before October 1 to be effective as of January 1, 2026.

IDOR received the certified copy of Ordinance 2032 by the October 1, deadline and acknowledged receipt. However, the Department did not like the fact that the definition of Cannabis was not the most recently amended version in the Cannabis Regulation and Tax Act. Additionally, IDOR did not like the fact that the effective date was the January 1st following passage rather than the specific date of January 1, 2026. Finally, even though the Ordinance indicated that IDOR would collect the tax, the Department wanted specific additional language.

The City received confirmation from IDOR that the department had received the Ordinance and will consider it as effective January 1, 2026, but requested that the cleanup items they requested be changed and the new ordinance passed and submitted before December 1, 2025.

Since this matter has already been discussed at a work session, and passed at a regular meeting, we decided to bring this to the Council directly for approval tonight rather than bring it to another work session first, especially when the changes were very minor,

So, the changes are as follows:

- Rather than having to constantly change the definition of Cannabis every time the legislature changes it in the Cannabis Regulation and Tax Act, the definition in the Crest Hill Ordinance simply defines Cannabis by whatever the current definition is in the state statute.
- Section 3.22.030 was changed to allow the tax to be separated on a retailer's tax forms to IDOR.
- Section 3.22.040 regarding administration by IDOR was added with the specific language requested by the Department.
- IDOR wanted language directing the City Clerk to file a certified copy with IDOR.
- The effective date is stated to be January 1, 2026.